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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of	)	
	)	
Access Charge Reform	)	CC Docket No. 96-262
	)	
Price Cap Performance Review for Local Exchange Carriers	)	CC Docket No. 94-1
	)	
Low-Volume Long Distance Users	)	CC Docket No. 99-249
	)	
Federal-State Joint Board On Universal Service	)	CC Docket No. 96-45
	)	

SUPPLEMENTAL COMMENTS OF
ONE CALL COMMUNICATIONS, INC.

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April 3, 2000

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SUPPLEMENTAL COMMENTS OF
ONE CALL COMMUNICATIONS, INC.

I. INTRODUCTION AND SUMMARY

One Call Communications, Inc. d/b/a Opticom ("Opticom"), through its undersigned counsel, hereby responds to the Public Notice ("Notice") requesting supplemental comments on the modified proposal for interstate universal service and access charge reform ("Modified Proposal") submitted by the Coalition for Affordable Local and Long Distance Services ("CALLS" or "Coalition").[1] As with the initial CALLS Proposal,[2] Opticom again urges the Commission, in the event that it adopts the Modified Proposal, to apply, in the case of payphones, the common line cost recovery mechanism set forth in the Modified Proposal for Single Line Business ("SLB") subscriber lines. Under such a treatment, the presubscribed interexchange carrier charge ("PICC") now assessed on payphone lines would be folded into the subscriber line charge ("SLC") applicable thereto. Such a common line cost recovery mechanism for payphones would address, in a manner consistent with the economic cost

[1] FCC Public Notice, *Coalition for Affordable Local and Long Distance Service (CALLS) Modified Proposal,* DA 00-533 (Mar. 8, 2000) ("Notice").

[2] *Access Charge Reform, Low-Volume Long Distance Users, Federal-State Joint Board on Universal Service,* CC Docket Nos. 96-262, 94-1, 99-249 and 96-45, Notice of Proposed Rulemaking, FCC 99-235 (Sept. 15, 1999) ("NPRM").

recovery goals of the *Access Charge Reform Order*[3] and the Modified Proposal, all of the anomalies that have arisen from the application of the PICC to payphones.

The Commission assumed in the *Access Charge Reform Order* that the reduction in usage-based access charges resulting in part from imposition of a flat-rated PICC would enable presubscribed interexchange carriers ("PICs") to reduce long distance rates and thereby increase direct dial long distance calling, and that the benefits to PICs from such access charge reductions would outweigh the burden of the PICC as calling volumes increased. Those assumptions do not apply to payphones, however, because rate changes are unlikely to have any significant impact on transient long distance calling, payphone calling volumes are so low that total monthly long distance revenue is often less than the PICC at many payphones, and long distance revenue at many payphones is often divided between two or more carriers. Moreover, a payphone PIC typically has no relationship with the transient payphone end users that it serves. The PICC cost recovery envisioned in the *Access Charge Reform Order* -- in which the PIC recovers the PICC from its subscriber, or where there is no PIC, in which the PICC is imposed on the subscriber directly -- thus has no application or relevance to the payphone context.

The Modified Proposal offers a mechanism to rectify this irrational payphone common line cost recovery by combining the SLB SLC and PICC into a new SLC applied to SLB lines. According to the Coalition, combining the SLB SLC and SLB PICC into a new SLC applied to SLB lines will rationalize the access charge regime by recovering common line costs consistently with the manner in which they are incurred -- namely, on a per-line basis directly from the cost causer. Applying the same mechanism to payphones and folding the PICC now assessed on such lines into the SLC would similarly rationalize payphone common line cost recovery. The payphone provider is the payphone common line cost-causer and currently pays the SLC and, partially as a result of payphone compensation under 47 U.S.C. § 276(b)(1)(A), derives the greatest benefit from the payphone common line. The payphone provider thus is the appropriate party to bear the PICC. In short, the CALLS rationale for combining the SLB SLC

[3] *See Access Charge Reform*, 12 FCC Rcd 15982 (1997).

and PICC into a new SLB SLC -- that it would recover SLB common line costs directly from the cost causer -- applies with even greater force to payphone lines, since the payphone PICC currently is even less likely to be borne ultimately by the cost causer than the PICC for other types of subscriber lines. Such an approach would not alter the Modified Proposal in any material fashion, would be consistent with current access charge rules and would further the Commission's and Coalition's shared goal of recovering costs in an economically rational manner. Moreover, no party opposed this approach in the round of comments filed on the initial CALLS Proposal after it was proposed by Opticom and Oncor Communications Inc. ("Oncor").[4]

II. BACKGROUND

Opticom, a division of One Call Communications, Inc., is an operator service provider ("OSP") to over 150,000 payphones across the United States, and its operations are substantially affected by the application of PICCs to payphones. Unlike other subscriber lines, payphone lines are served by two separate categories of PICs: one providing "0+" services billed to third parties (*e.g.*, collect calls or calls billed to the caller's own telephone number); and one providing "1+" services (*e.g.*, coin calls). Opticom typically serves as the 0+ PIC at payphones provided by local exchange carriers ("LECs").[5]

As Opticom has explained in its comments on the *Payphone PICC Notice*,[6] since the PICC became effective, the payphone industry has been plagued by the implementation of a

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[4] *See* Comments of One Call Communications, Inc., *Access Charge Reform, et al.*, CC Docket No. 96-262, *et al.* (Nov. 12, 1999) ("One Call CALLS Comments"); Comments of Oncor Communications, Inc. on Notice of Proposed Rulemaking and Request for Clarification, *Access Charge Reform, et al.*, CC Docket No. 96-262, *et al.* (Nov. 12, 1999) ("Oncor CALLS Comments").

[5] In one region, however, Opticom is both the 0+ and the 1+ long distance carrier for certain LEC payphones.

[6] FCC Public Notice, *Commission Seeks Comment on Specific Questions Related to Assessment of Prescribed Interexchange Carrier Charges on Public Payphone Lines*, DA 98-845 (May 4, 1998). *See* Comments of One Call Communications, Inc., *Assessment of Presubscribed Interexchange Carrier Charges on Public Payphone Lines*, CCB/CPD No. 98-34 (May 26, 1998) ("One Call *Payphone PICC* Comments").

patchwork of varied and discriminatory practices, all reflecting the inappropriateness of such a cost recovery mechanism in the case of payphone lines. Anomalies have arisen in the application of the PICC to payphone lines largely because of two factors: the impracticality of recovering the PICC in the manner contemplated in the *Access Charge Reform Order,* especially in the case of LEC payphone 0+ PICs; and the dual role played by the LECs -- as both assessor of the PICC and payphone provider -- in the case of LEC payphones, which constitute the great majority of payphones in the United States.

The inappropriateness of assessing the PICC on payphone PICs results from the unique nature of the payphone market. The most significant distinguishing factor is the transient nature of long distance calling at payphones, which upsets all of the assumptions on which the PICC was based. Specifically, the Commission assumed that the restructuring of access charges and imposition of a flat-rate PICC in the *Access Charge Reform Order* would result in reduced usage-based access charges, which would enable the typical PIC to reduce long distance rates and thereby increase business and residential direct dial long distance calling.[7] For most PICs, this restructuring creates a "virtuous cycle," in which usage-based access charge reductions make up for the imposition of the PICC as long distance traffic increases, thus encouraging PICs to increase demand by further reducing long distance rates and thereby to reap greater benefits from the lower usage-based access rates. PICs thus would be able to recover the PICC by passing it on to the end user, while reducing long distance rates overall.[8]

These assumptions are simply not true for payphones, however, for several reasons. First, rate changes are unlikely to have any particular impact on transient long distance calling volume. Payphone PICs thus are not in a position to increase usage, thereby covering the PICC, by offering attractive rates. This problem is aggravated by the fact that, at most LEC payphones, there is both a PIC for 0+ calls and a "1+ default PIC" (*i.e.*, a long distance carrier to which a payphone is "presubscribed" for 1+ calls only because no other choice is technically practicable).

[7] *See Access Charge Reform Order*, 12 FCC Rcd at 15990.

[8] *Id.* at 15990, 16008, 16015, 16019-20, 16026.

Typically, the 1+ default PIC at LEC payphones is AT&T. Moreover, much of the traffic at the typical payphone consists of "dial-around" calls, which are often carried by yet another interexchange carrier ("IXC"). Thus, the typical payphone PIC does not handle all or even most of the long distance calls from a given payphone. Accordingly, the assessment of a PICC on a payphone PIC effectively forces a carrier providing a fraction of the interexchange services for that telephone to subsidize all other long distance calls made from that line. Moreover, call volumes for a typical payphone PIC are so low that the total monthly revenue for payphone PIC is often less than the PICC. This is especially true for 0+ PICs, which have lower call volumes on average than 1+ PICs.[9] Payphone PICs thus not only are stuck with new flat-rate common line charges that they cannot pass on, but they also do not enjoy the benefits of per-minute access charge reductions that were expected for all IXCs, since those reductions generate significant benefits for IXCs only at higher long distance calling volumes.

Second, even apart from low call volumes, it is impractical for payphone PICs, especially 0+ PICs, to recover the PICC from end users effectively. Unlike the situation with the typical presubscribed telephone line, neither the payphone provider nor the payphone location owner is the end user. The end users are transient users, with whom the PIC has no relationship. There is no simple or clear way to impose the PICC directly on them, as the Commission has done in the case of other types of subscriber lines where no PIC has been chosen. The 0+ PIC also typically has no business relationship with the payphone provider, because it is the location provider, rather than the payphone provider, that generally has chosen the 0+ PIC, and since the 0+ PIC bills its per-call charges to parties other than the payphone provider (*e.g.*, to the call recipient, in the case of a collect call). The neat PICC cost recovery envisioned in the *Access Charge Reform Order* -- in which the PIC recovers the PICC from its subscriber or, where there is no PIC, in which the PICC is imposed on the subscriber directly -- simply has no application or relevance to the payphone context.

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[9] *See* One Call *Payphone PICC* Comments at 5 and Exh. A.

Aggravating these inherent cost recovery difficulties is the discriminatory effect of assessing the PICC on the 1+ PICs for private payphones (*i.e.*, those provided by independent payphone providers) and on the 0+ PICs for the LECs' own payphones, especially since most LEC payphones are also served by a 1+ default PIC. Unlike the typical LEC payphone 0+ PIC, which has no business relationship with the LEC payphone provider and cannot pass the PICC on to the payphone provider, a private payphone 1+ PIC, which is chosen by the payphone provider, can easily pass the PICC on to the payphone provider in its monthly bill. The LECs' imposition of the PICC on payphone PICs thus burdens LEC payphone 0+ PICs disproportionately.[10]

Accordingly, Opticom proposed in its *Payphone PICC* Comments that the PICC be imposed on the payphone provider directly, which, in the case of LEC payphones, would require that it be imputed to the LEC payphone unit. Opticom explained that such treatment would rectify all of the anomalies arising from the assessment of the PICC on payphone lines and would equalize the treatment of LEC and private payphones, thereby ending the discriminatory and anticompetitive impact of the LECs' PICC assessment practices.[11] The Commission has not yet acted on the issues raised in the *Payphone PICC Notice*.

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[10] For the same reason, the LECs' PICC assessment practices also happen to favor their own payphone operations at the expense of independent payphone providers, since the latter end up picking up the PICC passed on by the 1+ PIC, while the LEC payphone operations avoid any impact from the PICC imposed on the 0+ PIC. The only regulatory agency to have reviewed this asymmetrical PICC assessment practice found it anticompetitive for just this reason and ordered Ameritech Michigan to assess the intrastate PICC against the 1+ carrier for all payphones, rather than assessing it against the 0+ PIC in the case of LEC payphones and against the 1+ PIC for private payphones. *See Application and complaint of AT&T Communications of Michigan, Inc., against Ameritech Michigan seeking resolution of a dispute concerning toll access rates*, Case No. U-11660, Opinion and Order, 1998 Mich. PSC LEXIS 279 at *49-50 (Oct. 26, 1998) ("*Mich. PICC Order*"), Order Denying Rehearing, Reconsideration, and Clarification, 1999 Mich. PSC LEXIS 88 (Mar. 8, 1999).

[11] *See* One Call *Payphone PICC* Comments at 3-5.

III. THE MODIFIED PROPOSAL

The Notice invites supplemental comments on the Modified Proposal, which adds certain consumer commitments and makes other changes in the initial CALLS Proposal. For purposes of these comments, the Modified Proposal is essentially the same as the initial CALLS Proposal.[12] As in the initial CALLS Proposal, the Modified Proposal, *inter alia*, would revise the current system of common line charges by combining existing carrier and subscriber charges into one flat-rated SLC and would provide for limited deaveraging of those charges under specific conditions. Specifically, the Residential and SLB SLC and PICC are combined into a new single SLC. For multiline business ("MLB") lines, the SLC and PICC are not combined, and the MLB PICC will continue to be charged by the LEC to the PIC. As was also the case in the initial CALLS Proposal, the Modified Proposal cuts traffic sensitive access charges roughly in half.

The only significant difference in the plans, from Opticom's perspective, is that CALLS states in the Modified Proposal that if the Commission were to establish a SLC cap lower than the SLC caps that CALLS has proposed, a higher CCL rate may result, which, CALLS suggests, should be ameliorated by an adjustment in the MLB PICC.[13] In other words, CALLS is suggesting that any LEC access revenue impact resulting from a reduction in the SLC cap below the level suggested in the Modified Proposal be mitigated by a higher MLB PICC. Given the LECs' practice of assessing the MLB PICC on payphone PICs, it becomes even more vital for Opticom that the Commission adopt Opticom's proposed treatment of payphone lines in the event that it adopts the Modified Proposal. Although the Coalition states that the modifications in its plan respond to issues raised in the comments on the initial CALLS Proposal,[14] the Modified Proposal does not appear to respond to or acknowledge the Opticom or Oncor comments raising the payphone issue, in spite of the lack of any opposition thereto in other

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[12] Rather than refiling its comments on the initial CALLS Proposal, however, Opticom is submitting the instant comments to clarify its position in certain respects.

[13] *See, e.g.*, Memorandum in Support of the Revised Plan of the Coalition for Affordable Local and Long Distance Service ("CALLS") at 8 n.8 (Mar. 8, 2000) ("CALLS March 8 Memo"), attached to the Notice.

[14] CALLS March 8 Memo at 4.

parties' reply comments on the initial CALLS Proposal.[15] If anything, to the extent that higher MLB PICCs might be imposed on payphone PICs under the Modified Proposal, it is less favorable, rather than more favorable, to the low volume users supposedly benefited by the changes reflected in the Modified Proposal.

It is important to note, however, that nothing in the material attached to the Notice supporting the Modified Proposal alters the Coalition's rationale for folding the SLB PICC into the SLB SLC. According to the Coalition's original plan, that restructuring will rationalize the access charge regime by recovering common line costs consistently with the manner in which they are incurred -- *i.e.*, on a per-line basis from the end user. It is far more efficient to recover as much of the total common line costs as possible from the SLC, rather than through other charges, which are passed on only indirectly to the end user. The Coalition concluded in its original plan that recovery of more of the total common line costs from the SLC simply continues the rationalizing of common line cost recovery that was begun in the *Access Charge Reform Order* through the SLC and PICC.[16] As explained below, that rationale applies *a fortiori* to the recovery of payphone common line costs.

IV. APPLICATION TO PAYPHONE LINES OF THE MECHANISM FOR SINGLE LINE BUSINESS LINES UNDER THE MODIFIED PROPOSAL WILL FURTHER THE COMMISSION'S AND THE COALITION'S SHARED COMMON LINE COST RECOVERY GOALS

A. Folding the Current PICC on Payphone Lines Into the SLC Would Remedy the Inefficiencies and Discrimination Arising From the Imposition of the PICC on Payphone Lines

The Modified Proposal provides an opportunity to correct the irrational and inefficient recovery of common line costs resulting from the application of the PICC to payphone lines in a way that furthers the goals of access charge reform, as expressed by the Commission in the *Access Charge Reform Order*, the initial CALLS Proposal and the Modified Proposal, in a

[15] *See* One Call CALLS Comments; Oncor CALLS Comments.

[16] *See* Memorandum in Support of the Coalition for Affordable Local and Long Distance Service Plan at 12-18, 38-40, NPRM at App. C.

nondiscriminatory way. The *Access Charge Reform Order* explicitly contemplated that PICs would recover the PICC by passing it on to end users and that declining per minute access charges would leave PICs better off, on balance.[17] As explained above, however, that simply does not happen in the case of payphone PICs. The disproportionate and economically irrational application of the PICC to payphones is compounded by the discriminatory impact of the PICC as applied to payphone PICs, discussed above, and the absence of any business relationship between the 0+ PIC and the "cost causer" -- the payphone provider -- in the case of LEC payphones, which would make it difficult for a LEC payphone 0+ PIC to pass along the PICC even if call volumes were higher and demand responded to rate reductions.

All of these inefficiencies would be cured by applying the common line cost recovery mechanism for SLB lines in the Modified Proposal to payphones and folding the PICC, now discriminatorily imposed on different categories of payphone PICs, into the SLC. The payphone provider is the payphone common line cost-causer, and the principles of cost causation underlying the *Access Charge Reform Order* and motivating the Coalition Proposals would be furthered if the payphone provider were to bear those costs directly. The payphone provider certainly reaps the greatest benefit from the payphone common line. Unlike any payphone PIC, the payphone provider collects compensation for every long distance call completed from a payphone.[18] In the case of LEC payphones, the LECs collect not only dial-around compensation, in their roles as payphone providers, but also the usage-based access charges that LECs assess on every interexchange call. Heaping the PICC on top of those multiple revenue streams --

[17] *Access Charge Reform Order*, 12 FCC Rcd at 16020, 16026.

[18] *See* 47 U.S.C. § 276(b)(1)(A); *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecomm. Act of 1996*, First Report and Order, 11 FCC Rcd 20541 (1996)(*"Payphone Order"*); Order on Reconsideration, 11 FCC Rcd 21233)(*"Payphone Reconsideration Order"*), *aff'd in part and remanded in part sub nom. Ill. Public Telecomm. Ass'n v. FCC*, 117 F.3d 555 (D.C. Cir. 1997); Second Report and Order, 13 FCC Rcd 1778 (1997), *aff'd in part and remanded in part sub nom. MCI v. FCC*, 143 F.3d 606 (D. C. Cir. 1998); Third Report and Order and Order on Reconsideration of the Second Report and Order, 14 FCC Rcd 2545 (1999), *appeal pending sub nom. American Public Communications Council v. FCC*, Case No. 99-1114 (D. C. Cir. filed Mar. 22, 1999).

collected from PICs that do not have sufficient call volumes to benefit from lower usage-based access charges -- amounts to a bonanza for the LECs.[19]

As Opticom explained in its *Payphone PICC* comments, the *Access Charge Reform Order* permitted LECs to charge the PICC directly to the end user where no PIC was chosen in order to remove any incentive to "dial around" an IXC passing the PICC on to the end user in its long distance rates.[20] Thus, the Commission's intent was for IXCs to pass the PICC along to their customers in their rates, which were expected to decline as per-minute access charges declined.[21] That cost recovery mechanism, however, does not work as well in the case of the typical payphone PIC, which typically provides only a fraction of the interexchange service at any given payphone due to the frequency of dial-around calling and the split in long distance traffic between the PIC and a default PIC at payphones. The payphone provider, by contrast, has contact with every user. Moreover, the payphone provider, as explained above, benefits from every long distance call completed from its payphones. Thus, as the primary beneficiary and the cost causer, as well as the party that now bears the SLC assessed on payphone lines,[22] the payphone provider is the appropriate party to bear the PICC, just as the end user of any other type of telephone is the appropriate party to bear the PICC, either indirectly through the PIC's long distance charges or, where there is no PIC, directly.

In short, the Coalition's rationale for folding the SLB PICC into the SLC -- *i.e.*, to recover all SLB common line costs directly from the cost causer -- applies with even greater force to payphone lines. Assuming that the Coalition is correct that the recovery of common line costs through the PICC is generally inefficient because it is only indirectly borne by the end user,

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[19] To make matters worse, Ameritech charges payphone PICs not only the maximum possible PICC on interstate calls, but also an intrastate PICC and intraLATA PICC on intrastate interexchange and intrastate intraLATA toll calls, respectively, in Indiana.

[20] *Access Charge Reform Order*, 12 FCC Rcd at 16019-20.

[21] *Id.*

[22] *Payphone Order*, 11 FCC Rcd at 20629, 20634 (SLC charged to "payphone providers" or "imputed" to LEC "payphone operations"); *Payphone Reconsideration Order*, 11 FCC Rcd at 21324 (SLC charged to "LEC and non-LEC payphone providers").

such inefficiency is dwarfed by the utter irrationality of trying to recover payphone common line costs through the PICC, since the payphone PICC is so unlikely to be borne ultimately by the cost causer, as discussed above. If the Commission concludes that the Modified Proposal should be adopted on its own terms for access services generally, therefore, the PICC now assessed against payphones should certainly be folded into the SLC assessed on payphone lines.

B. Application of the Cost Recovery Mechanism for SLB Lines to Payphones Would Not Violate Current Rules or Significantly Alter the Modified Proposal

Whether or not the application of the common line cost recovery mechanism for SLB lines to payphones conforms to the Commission's current rules should not be dispositive in determining how payphones are treated under the Modified Proposal, given that the latter would require a major revision of the access charge regime. If economic efficiency and the principles of cost causation would be furthered by such treatment, as Opticom believes has been demonstrated above, the Commission should treat payphones accordingly in promulgating such a regulatory overhaul, irrespective of the technical classification of payphone lines under the current Section 69.153 of the Commission's current rules, which sets forth how the PICC is applied. To the extent that other commenters or the Commission might be concerned on this point, however, it should be noted that the treatment of payphone lines proposed herein is entirely consistent with the Commission's current regulations.

It is significant, in construing Section 69.153, that this provision does not address payphones at all, unlike Section 69.152 of the Commission's rules, which sets forth how the SLC should be applied. Section 69.152(c) allows LECs to charge the SLC that is charged to MLB lines "for each subscriber line associated with a public telephone." Section 69.153 is roughly parallel to Section 69.152, except for the omission of any reference to "a public telephone," or any type of payphone. The omission of such a reference in Section 69.153 and its inclusion in Section 69.152, which is otherwise roughly parallel, strongly suggests that the PICC was never intended to be applied to public telephones or any other payphones.[23] At the very least, the disparate treatment of public telephones in these parallel provisions certainly cannot be read as requiring the same treatment. Thus, it is not clear what level of PICC applies to payphones, or whether it should be applied at all, and there is no regulatory requirement that the application of the PICC necessarily follows the application of the SLC to payphones. There is certainly nothing in the *Access Charge Reform Order* requiring such parallel treatment for payphones.

Since Section 69.153 does not reference payphones, its application to payphones necessarily turns on other factors, such as whether the typical payphone is more similar to a SLB line or a MLB line. In many cases, there is only one payphone at a given location. More significantly, even where there is more than one payphone at a particular location, such payphones do not bear the *indicia* of MLB lines. Typically, each payphone is maintained as a stand-alone facility, with a separate line number that transmits an individual automatic number identification ("ANI") code, and has a separate physical plant and dedicated line. Unlike the standard MLB situation, payphones have no direct inward dialing or shared use. Each payphone is typically billed as a separate individual business line for purposes of service order charges, CARE codes and record order changes and generally has a different billing cycle from that of other payphones maintained by the same payphone provider.

It is significant in this regard that the one regulatory agency to have considered the issue of the appropriate classification of payphones found that they should be treated as single line businesses for purposes of assessing the intrastate PICC, explaining that each payphone: has a separate telephone number; constitutes a stand-alone installation designed to serve a single, specific site; is assigned a unique ANI code for billing purposes; and may have a different billing cycle from other payphones operated by the same entity.[24] The same criteria compel the same result in applying the interstate PICC. Thus, nothing in the current access charge regime

[23] *Cf. Russello v. United States*, 464 U.S. 16, 23 (1983) (where particular language included in one section of a statute but omitted in another section of the same act, it is presumed that such omission was intended).

[24] *See Mich. PICC Order* at *50-51.

precludes the application to payphones of the access charge mechanism for SLB lines if good public policy requires such treatment. As explained above, such treatment is required to further the Commission's and the Coalition's access reform goals.[25]

The treatment of payphones proposed herein also would not require a significant change in the Modified Proposal. Opticom is simply requesting that the regulations specify that payphones be treated as SLB lines.

It may be, however, that, in the event that the Commission were to agree to Opticom's request, certain members of the Coalition would actually prefer that the Modified Proposal be slightly altered so as to minimize the impact of Opticom's approach on the LECs' total common line cost recovery. Putting aside the issue of whether the LECs have been assessing the PICC on payphone lines correctly up to this point, it is not Opticom's intent in these comments necessarily to affect the LECs' total common line cost recovery from payphones or to diminish the level of total payphone common line cost recovery that is contemplated in the Modified Proposal. Rather, it is the manner in which those common line costs are to be recovered that concerns Opticom. That such costs should be recovered entirely through the SLC, rather than through the SLC and PICC, however, does not necessarily determine at what level the new payphone SLC should be set. Accordingly, the Commission, in the event it adopts the Modified Proposal and treats payphones in the manner advocated in these comments, might decide to modify the SLC that would otherwise be applied to payphones under the Modified Proposal in order to minimize the impact of Opticom's approach on the LECs. Opticom takes no position on the level of the SLC that should be assessed against payphone lines under the Modified Proposal.

[25] It should be noted that Opticom is advocating the application to payphones of the cost recovery mechanism for single line business lines only in the context of the Modified Proposal. It is only by folding the PICC now assessed on payphone PICs into the SLC assessed on payphone providers that the principles of cost causation and economic efficiency will be furthered. Without that crucial aspect of the Modified Proposal, the categorization of payphones might not have any effect on economic efficiency.

V. CONCLUSION

The Modified Proposal provides a unique opportunity to ameliorate the tremendous damage that is being done to the operator service industry by the assessment of the PICC on payphone PICs, which has already driven at least two OSPs out of business and threatens to force half a dozen others into bankruptcy. Because of the nature of payphone use and the realities of the payphone market, assessment of the PICC on payphone PICs, especially on LEC payphone 0+ PICs, is economically irrational and violates all of the cost recovery principles upon which the *Access Charge Reform Order* was based.

Adoption of the Modified Proposal would rectify all of these market inefficiencies if it were applied to payphones using the common line cost recovery mechanism set forth in the Modified Proposal for SLB lines, and the PICC now assessed on payphone PICs were folded into the SLC assessed on payphone providers. Unlike a payphone PIC, the payphone provider benefits from every long distance call from a payphone and is in a much better position than the PIC to absorb or pass along these common line charges. If the Modified Proposal were applied in this manner, Opticom would support it. Opticom could not support the Modified Proposal, however, if payphones were excluded from the cost causative mechanism proposed therein for SLB lines.

Respectfully submitted,

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April 3, 2000

CERTIFICATE OF SERVICE

I, James S. Bucholz, do hereby certify that the foregoing SUPPLEMENTAL COMMENTS OF ONE CALL COMMUNICATIONS were served, either by hand delivery* or first-class mail postage prepaid, this 3rd day of April, 2000, on the following:

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